

THE NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE FULL BOARD MEETING
THURSDAY MARCH 20, 2014 – 5:30 P.M.

The monthly meeting of the Board of the Non-Flood Protection Asset Management Authority of the Orleans Levee District was held on Thursday March 20, 2014 at 5:30 p.m., in the Lake Vista Community Center, 2nd Floor, 6500 Spanish Fort Blvd., New Orleans, Louisiana after due legal notice of the meeting was sent to each Board member, the news media, and a copy of the call was posted.

Chairman Scott called the meeting to order at 5:35 p.m. and led in the Pledge of Allegiance. The roll was called which constituted a quorum.

PRESENT:

Chairman Nyka Scott
Vice Chairman Ernst
Secretary Romona Baudy
Commissioner Wilma Heaton
Commissioner Carlton Dufrechou
Commissioner William Hoffman
Commissioner Patrick DeRouen
Commissioner Pearl Cantrelle
Commissioner Michael Stack
Commissioner Stan Brien
Commissioner Darrel Saizan
Commissioner Eugene Green
Commissioner Rodger Wheaton

ABSENT:

Commissioner Robert E. Smith Lupo
Commissioner John Trask

STAFF:

Louis Capo - Executive Director
Sharon Martiny – Non-Flood
Fred Pruitt – Airport Director
Dawn Wagener – Non-Flood

ALSO PRESENT:

Al Pappalardo - Real Estate Consultant
Gerard Metzger - Legal Counsel
Walter Baudier – DEI
Steve Nelson – Stuart Consulting Group
Nick Asperdites – Lakeview Landings
George Massina – Messina's
Alton Davis – RCL
Brayton Matthews – Flightline
Bonny Schumaker – Flightline
Ron Merlino – Servicemaster
Frank Reuelle – NOAA
Alicia Plummer – N.O. East Business Association
Derrick Francis – Mayor's Office
Dawn Hebert - Resident
Octave Rainey – Resident
Debbie DeGray – Resident
Brent Russell – Hawthorne
Sylvia Scineaux – ENONAC
Joan Heisser – ENONAC

OPENING COMMENTS:

Chairman Scott thanked everyone for attending the meeting and advised that there is one motion on the Agenda that would be referred back to Committee.

ADOPT AGENDA

Commissioner Hoffman offered a motion to adopt the Agenda, seconded by Commissioner DeRouen and unanimously adopted.

APPROVE MINUTES

Commissioner Ernst offered a motion to approve the minutes of the January 23, 2014 and February 20, 2014 Board meetings, seconded by Commissioner Dufrechou and unanimously adopted.

REPORT BY EXECUTIVE DIRECTOR

Submittals for the RFQ/P for the James Wedell Hangar are due March 21, 2014 at 2:00 p.m. An RFP/Q was also issued for an Insurance Agent of Record and submittals are due April 9, 2014 at 2:00 p.m.

PRESENTATIONS

George Messina – Messina’s Lakefront Airport, LLC

The People’s Champion Dinner will be held in the Atrium at Lakefront Airport which will draw approximately 150 people and the Thoth Queen Ball in February was well received. The Children’s Hospital Gala is expected to have 800 people in attendance and the Dental Association will have a dinner for 70 people in the Walnut Room. Messina’s is off and running and things are going very well. The café is expected to open next week. Response from potential clients is tremendous and think will be a success story going forward.

Mr. Messina requested the Authority address the landscaping and grass cutting at Lakefront Airport as the Terminal Building will be used for high-end events. There will be a grand opening in June as the New Orleans Convention and Visitors Bureau recommended and local party planners and decision makers for out-of-town companies will be invited to attend.

Commissioner Heaton noted that on April 9, 2014, Louisiana Landmarks is awarding 14 preservation awards across the City, and one award is for renovation of the Terminal Building. The ceremony is a fund raiser and will be held in the Lakefront Airport Terminal Building.

Nick Asperdites – Lakeview Landings (The Blue Crab)

Lakeview Landings is going through final permitting processes with the City for the fuel dock/boat store. The fuel tanks are currently in Houston and the fuel dock will open at the end of April with the boat store opening shortly thereafter. The Blue Crab is exploring the possibility of expanding the deck next to the bar and adding on to the building to provide additional dining space. The outdoor area on the bottom of the restaurant will be open so boaters can bring their boats and enjoy a drink as the dock is 375 feet long and can accommodate boaters.

Frank Rivette – NOAA

Mr. Rivette requested approval for NOAA to host a public hurricane awareness event at Lakefront Airport on Wednesday, May 21, 2014. NOAA will bring a P3-1300 aircraft to the Gulf Coast. There will be school and public tours of the aircraft and the media will interview local meteorologists. Emergency responders will also be present and there will be aircraft and fire trucks positioned on the tarmac area. The event is open to the public between 3:00-5:00 p.m. and is a good opportunity to show off the newly renovated Terminal Building.

COMMITTEE REPORTS

Airport Committee – Commissioner Heaton reported that the Airport HVAC system was addressed. The system was substantially complete and accepted by the Board in October; but the system needed a one-time service to preserve the warranty. The contractor that installed the system agreed to perform a one-time service, which is underway. The warranty is now preserved and the cost was within budget.

Marina Committee – Commissioner Dufrechou advised of a meeting with the South Shore Harbor Tenants Association to address priority maintenance items as the budget permits. Mr. Capo and Mr. Dixon have done a good job at both Marinas and year-to-date South Shore Harbor has a positive cash flow.

Commercial Real Estate Committee – Commissioner Ernst advised that there were presentations given at the Committee meeting.

Recreation/Subdivision Committee meeting – The Recreation/Subdivision Committee meeting was cancelled.

Legal Committee – The Legal Committee meeting was cancelled.

Finance Committee – Commissioner Hoffman advised that items discussed in Finance are on the Agenda and will be addressed at the appropriate time.

NEW BUSINESS

Motion 01-032014 Support the Commemorative Air Force and National World War II Museum sponsorship of an annual Air Show at the New Orleans Lakefront Airport

Steve Watson, World War II Museum, requested approval to host an Air Show with the Commemorative Air Force (CAF) at Lakefront Airport from October 24 to October 26, 2014. The event will display old war birds and there will be paid aircraft rides, land vehicles, educational content and school group visits. The weekend event will draw approximately 10,000-15,000 people to Lakefront Airport. The goal of the CAF and WWII Museum is to have a play-off of the Wings Over Houston event, which draws approximately 100,000 people. Another concept in development is World War II Week, which will be an air show in the National World War II Conference. The WWII Conference brings military vehicles, film festivals, artifacts and re-enactors together. All communities involved in World War II education come to New Orleans each year for the Conference and the Air Show can be a signature component and a great event for Lakefront Airport. Commissioner Heaton thanked Mr. Watson and noted that Commissioner Lupo had worked on this item for a very long time. We feel and we envision this being the first of many things we do in building and forging a relationship with the WWII Museum so it is a win/win situation. Chairman Scott requested, as a courtesy to the tenants, the Authority inform all tenants and FBOs of any major events at Lakefront Airport so those tenants or FBOs can plan accordingly.

Commissioner Heaton offered a motion in support of the Commemorative Air Force and National World War II Museum's annual Air Show at the New Orleans Lakefront Airport, seconded by Commissioner DeRouen and unanimously adopted to wit:

MOTION: 01-032014
RESOLUTION: 01-032014
BY: COMMISSIONER HEATON
SECONDED: COMMISSIONER DeROUEN

March 20, 2014

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority ("Management Authority") is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District ("District");

WHEREAS, the Management Authority manages, operates and administers the New Orleans Lakefront Airport, which is a non-flood protection asset owned by the Orleans Levee District, located on the south shore of Lake Pontchartrain in the Parish of Orleans, State of Louisiana, ("Airport");

WHEREAS, the National World War II Museum in New Orleans, Louisiana has partnered with the Commemorative Air Force to work in collaboration to establish an annual Air Show at the New Orleans Lakefront Airport;

WHEREAS, with the support of the Airport, this Air Show will take place on October 25th and 26th 2014 at the Airport and it will carry the name brands of both the National World War II Museum and Commemorative Air Force;

WHEREAS, the B-29/B-24 Squadron of the Commemorative Air Force brings together aircraft, pilots and crews from over 70 Commemorative Air Force units across the country to create the *AirPower Squadron*, an ever changing assortment of military aircraft touring together to bring the sights, sounds and smells of World War II aviation history to audiences across the United States;

WHEREAS, the *AirPower Squadron* always includes at least one of the two rarest World War II bombers in the world – *FIFI*, the only flying Boeing B-29 Superfortress and *Diamond Lil*, an equally rare B-24 Liberator, Aircraft accompanying the B-29 or B-24 will include other World War II aircraft such as the P-51 Mustang, the B-17 Flying Fortress and the B-25 Mitchell, along with an assortment of fighters, trainers and liaison aircraft.

WHEREAS, it is the intention of the National World War II Museum and Commemorative Air Force to develop this airshow into one of the preeminent aviation events in the country;

WHEREAS, this cooperative effort will also contribute to the promotion of the National World War II Museum’s objectives of public awareness, appreciation, education and research of the American experience in World War II;

WHEREAS, the Airport Committee at its meeting held on March 6, 2014 unanimously voted to recommend to the Management Authority adoption of a resolution in support of an annual Air Show at the New Orleans Lakefront Airport sponsored by the Commemorative Air Force and National World War II Museum;

WHEREAS, the Management Authority resolved that it was in the best interest of the District and the Airport to approve a resolution in support of an annual Air Show at the New Orleans Lakefront Airport sponsored by the Commemorative Air Force and National World War II Museum;

THEREFORE, BE IT HEREBY RESOLVED, that the Management Authority supports the efforts of the Commemorative Air Force and National World War II Museum to sponsor an annual Air Show at the New Orleans Lakefront Airport.

BE IT HEREBY FURTHER RESOLVED, that the Authority Chairman or Executive Director be and is hereby authorized to sign any and all documents necessary to carry out the above.

YEAS: SCOTT, ERNST, BAUDY, HEATON, DUFRECHOU, HOFFMAN, DeROUEN, CANTRELLE, STACK, BRIEN, SAIZAN, GREEN, WHEATON

NAYS: NONE

ABSTAIN: NONE

ABSENT: LUPO, TRASK

RESOLUTION ADOPTED: YES

Motion 02-032014 To approve and ratify the MOU with the Louisiana Department of State, Office of the Secretary of State and the Orleans Parish Registrar of Voters for the purpose of establishing an additional voting site at the Upper Hall of the Lake Vista Community Center

Commissioner Heaton advised that the voting site would not take the place of the precinct, this will allow a full week of early voting during the fall elections. Internet will be installed and paid for by the Secretary of State as the early voting site requires internet. This will be good for all Lake Vista Community Center tenants who wish to utilize Cox Cable.

Commissioner Heaton offered a motion to approve and ratify the MOU with the Louisiana Department of State, Office of the Secretary of State and the Orleans Parish Registrar of Voters for the purpose of establishing an additional voting site at the Upper Hall of the Lake Vista Community Center, 6500 Spanish Fort Boulevard, New Orleans, Louisiana, seconded by Commissioner Ernst and unanimously adopted to wit:

MOTION: 02-032014
RESOLUTION: 02-032014
BY: COMMISSIONER HEATON
SECONDED: COMMISSIONER ERNST

March 20, 2014

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (“Management Authority”) is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District (“District”);

WHEREAS, the Lake Vista Community Center located on Spanish Fort Boulevard in New Orleans is one of the non-flood protection assets owned by the District under the management and control of the Management Authority;

WHEREAS, the Orleans Parish Registrar of Voters is authorized under Louisiana Revised Statutes Title 18, Section 1309(B)(1) to designate branch offices for early voting and has determined that there is a need for an additional early voting site in New Orleans and desires to establish the additional early voting site at the Upper Hall of the Lake Vista Community Center (the “Site”);

WHEREAS, a Memorandum of Understanding between the Louisiana Department of State, Office of the Secretary of State, the Orleans Parish Registrar of Voters and the Management Authority has been prepared for the purpose of establishing the Site at the Upper Hall of the Lake Vista Community Center, a copy of which is attached to this Resolution;

WHEREAS, under the Memorandum of Understanding, the Registrar of Voters among other things shall be responsible at its expense to establish the Site, provide all equipment, services and supplies necessary to operate the Site, and install and maintain all circuit lines necessary to connect the ERIN system network for voting;

WHEREAS, pursuant to the Memorandum of Understanding, the Management Authority shall have the following responsibilities: allow for the installation of the circuit necessary to connect to the ERIN system network installation; make the Site available, rent free, for the set up for early voting, on an as needed basis, to be determined by the Registrar of Voters, with minimum 30 days' notice to the Management Authority and on an annual calendar basis; and, keep the air conditioning or heat on at the Site for each Saturday of early voting;

WHEREAS, the term of the Memorandum of Understanding shall be continuous until terminated by one of the parties and termination shall be effective upon the passage of 90 days after receipt of written notice of termination;

WHEREAS, in order to secure the necessary funding to establish the Site, the Memorandum of Understanding had to be signed by the Management Authority on or before March 15, 2014;

WHEREAS, to assist the Registrar of Voters in securing the necessary funding to establish the Site, the Executive Director of the Management Authority executed the Memorandum of Understanding, and advised the parties that the Memorandum of Understanding was subject to the approval and ratification of the Management Authority; and,

WHEREAS, the Management Authority after considering the Memorandum of Understanding resolved that it is in the best interest of the Orleans Levee District to enter into the Memorandum of Understanding;

THEREFORE, BE IT HEREBY RESOLVED, that the Management Authority approves and ratifies the Memorandum of Understanding with the Louisiana Department of State, Office of the Secretary of State and the Orleans Parish Registrar of Voters for the purpose of establishing an additional voting site at the Upper Hall of the Lake Vista Community Center located on Spanish Fort Boulevard located in the City of New Orleans, State of Louisiana, a copy of which is attached to this Resolution.

BE IT HEREBY FURTHER RESOLVED, that the Authority Chairman or Executive Director be and is hereby authorized to sign any and all documents necessary to carry out the above.

YEAS: SCOTT, ERNST, BAUDY, HEATON, DUFRECHOU, HOFFMAN, DeROUEN, CANTRELLE, STACK, BRIEN, SAIZAN, GREEN, WHEATON
NAYS: NONE
ABSTAIN: NONE
ABSENT: LUPO, TRASK
RESOLUTION ADOPTED: YES

Motion 03-032014 To approve janitorial service contract with Servicemaster for an amount not to exceed \$34,042.92 per year plus waxing as requested at \$3,245 per wax for the Terminal Building at Lakefront Airport

Commissioner Heaton advised that the Authority is receiving Class A rent so this janitorial service is desperately needed in the Terminal Building. There is a caveat in the contract regarding finances and the contract is a "not to exceed" contract. Any major waxes will be done upon approval of the Executive Director. Mr. Pappalardo advised that the rent is a full service rent. Utilities and insurance are recalculated annually and passed through to the tenants. Most major office buildings are full service gross leases. This is different as utilities and insurance are recalculated and passed to the tenant annually.

Commissioner Heaton offered a motion to approve a janitorial service contract with Servicemaster for an amount not to exceed \$34,042.92 per year plus waxing as requested at \$3,245 per wax for the Terminal Building at Lakefront Airport, seconded by Commissioner Ernst and unanimously adopted to wit:

MOTION: 03-032014
RESOLUTION: 03-032014
BY: COMMISSIONER HEATON
SECONDED: COMMISSIONER HOFFMAN

March 20, 2014

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (“Management Authority”) is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District (“District”);

WHEREAS, the New Orleans Lakefront Airport (the “Airport”) is one of the non-flood protection assets of the District under the management and control of the Management Authority;

WHEREAS, the buildings and other facilities at the Airport, including the Terminal Building, were severely damaged by Hurricane Katrina which struck southeastern Louisiana in August of 2005, and the Management Authority recently completed extensive repairs and renovations of the Terminal (the “Terminal”);

WHEREAS, the Terminal includes a large atrium, leased office space, conference rooms and the office of the Aviation Director of the Airport;

WHEREAS, janitorial services will be required to maintain the Terminal;

WHEREAS, the District solicited and received bids for an annual janitorial service contract and the lowest bid was submitted by ServiceMaster;

WHEREAS, the bid submitted by ServiceMaster was in an amount not to exceed \$34,042.92 per year, plus waxing as requested at \$3,254.00 per wax, for the Terminal;

WHEREAS, the Airport Committee considered the bid submitted by ServiceMaster for the janitorial contract at its meeting held on March 6, 2014 and voted to recommend approval of the janitorial service contract with ServiceMaster, subject to approval of funding for the contract by the Finance Committee; and,

WHEREAS, the Management Authority resolved that it is in the best interest of the Orleans Levee District and New Orleans Lakefront Airport to approve the janitorial service contract with ServiceMaster, under the terms set forth above, subject to approval of funding for the contract by the Finance Committee.

THEREFORE, BE IT HEREBY RESOLVED, that the Management Authority approves a contract for janitorial services with ServiceMaster for one year in an amount not to exceed \$34,042.92 per year, plus waxing as requested at \$3,254.00 per wax, for the Terminal Building at the Lakefront Airport, subject to approval of funding for the contract by the Finance Committee.

BE IT FURTHER HEREBY RESOLVED, that the Management Authority Chairman or Executive Director be and is hereby authorized to execute said contract with ServiceMaster under the terms set forth above and any and all documents necessary to accomplish the foregoing.

YEAS: SCOTT, ERNST, BAUDY, HEATON, DUFRECHOU, HOFFMAN, DeROUEN, CANTRELLE, STACK, BRIEN, SAIZAN, GREEN, WHEATON

NAYS: NONE

ABSTAIN: NONE

ABSENT: LUPO, TRASK

RESOLUTION ADOPTED: YES

Motion 04-032014 To approve extension of Architectural Consultant Services Agreement for Hurricane Katrina Damage Repairs at New Orleans Lakefront Airport with RCLC through May 31, 2014, for additional services due to construction delays on the James Wedell Hangar

Commissioner Heaton requested to amend the Resolution by inserting “or until Cost Curve A Issues are resolved” after May 31, 2014. There is no cost to the Authority for this, but the language protects the Authority from dealing with FEMA regarding the previous issue. The amendment would read “May 31, 2014 or until the Cost Curve A issue is resolved”.

Commissioner Heaton offered a motion to approve an extension of the Architectural Consultant Services Agreement with Richard C. Lambert Consultants, L.L.C., seconded by Commissioner Ernst and unanimously adopted. Commissioner Heaton offered to amend Motion 04-032014, seconded by Commissioner Hoffman and unanimously adopted to wit:

MOTION: 04-032014
RESOLUTION: 04-032014
BY: COMMISSIONER HEATON
SECONDED: COMMISSIONER ERNST

March 20, 2014

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (“Management Authority”) is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District (“District”);

WHEREAS, the Management Authority manages, operates and administers the New Orleans Lakefront Airport, which is a non-flood protection asset owned by the Orleans Levee District, located on the south shore of Lake Pontchartrain in the Parish of Orleans, State of Louisiana, (“Airport”);

WHEREAS, the Airport was severely damaged by Hurricane Katrina in August of 2005;

WHEREAS, the District and Richard C. Lambert Consultants, L.L.C. entered into an Agreement on May 26, 2006 for Architectural Consulting Services of Hurricane Katrina Damage Repairs at the Airport, including repairs to the James Wedell Hangar at the Airport (the “Agreement”);

WHEREAS, the Agreement, as supplemented, will expire on March 31, 2014;

WHEREAS, it is necessary to extend the term of the Agreement until May 31, 2014 because of construction delays by the contractor, GM&R Construction Company, Inc., in completing the repairs to the James Wedell Hangar;

WHEREAS, this matter was addressed at the March, 2014 meeting of the Airport Committee and the Committee recommended approval of an extension of the term of the Agreement through May 31, 2014;

WHEREAS, upon motion duly made and seconded, the Management Authority approved an amendment of the Resolution to extend the contract through the later of May 31, 2014 or when the FEMA Cost Curve Issue on the Agreement was resolved; and,

WHEREAS, the Management Authority resolved that it was in the best interest of the District and the Airport to approve the proposed extension of the term of the Agreement, as amended.

THEREFORE, BE IT HEREBY RESOLVED, that the Management Authority approves an extension of the Agreement with Richard C. Lambert Consultants, L.L.C entered into on May 26, 2006 for Architectural Consultant Services for Hurricane Katrina Damage Repairs at the New Orleans Lakefront Airport through the later of May 31, 2014 or when the FEMA Cost Curve Issue on the Agreement was resolved.

BE IT HEREBY FURTHER RESOLVED, that the Management Authority Chairman or Executive Director be and is hereby authorized to sign an amendment of the contract dated on May 26, 2006 with Richard C. Lambert Consultants, L.L.C. to extend the term of the contract for professional services through the later of May 31, 2014 or when the FEMA Cost Curve Issue on the Agreement was resolved, with all other terms and conditions to remain the same, and sign any and all other documents necessary to carry out the above.

YEAS: SCOTT, ERNST, BAUDY, HEATON, DUFRECHOU, HOFFMAN, DeROUEN, CANTRELLE, STACK, BRIEN, SAIZAN, GREEN, WHEATON

NAYS: NONE

ABSTAIN: NONE

ABSENT: LUPO, TRASK

RESOLUTION ADOPTED: YES

Motion 05-032014 To authorize FBOs at the New Orleans Lakefront Airport to procure property and flood insurance policies after criteria is established by the Insurance Committee of the Management Authority

Commissioner Heaton advised that this Agenda item is a recommended policy and the Airport Committee has done due diligence. A meeting with GOHSEP and FEMA ensured the Authority would not jeopardize future funding should there be another event or disaster. The Authority, with certain precautions, would collect any funding due a public agency, which was a number one priority. A value to insure the buildings must be determined, and the Airport Committee does not have the expertise to determine that value.

Commissioner DeRouen objected to the motion and noted since Katrina all FBO leases at the Airport contain a clause in which the Authority procures the insurance. The Authority is the named insured and insurance premiums are passed to the tenant. There is a concern from one FBO regarding valuation of the hangar, the amount of insurance purchased and the amount of the insurance premium (based on the value of the hangar) the Authority requested that tenants

reimburse. The Authority recently retained the services of an appraiser to obtain an appraisal of the Hangar. If the issue is the value of the hangar, the Authority should address valuation. It is bad public policy to change terms of leases, and I am opposed. Commissioner Wheaton objected to the motion and stated that if the Authority agrees on a value, the valuation issue can be corrected. The Authority will likely get a better insurance rate than the tenant. The question is not the percentage the insurance company charges, but what the building value should be. The Authority could get that resolved quickly without re-writing leases.

Commissioner Heaton advised that the Authority would not be re-writing the leases, the leases would be amended. This is an issue of fairness. In performing due diligence, it was clarified that the Authority would be an insured on the policy and if an event occurred the check would be made to the Authority. If the Authority had an Insurance Department and appraisals were up-to-date I would agree, but the Authority is strapped, staff multi-tasks and cannot give the attention that this issue requires. FBOs should be given the opportunity to shop for insurance with the caveat that the Authority agrees on the hangar value and is also protected.

Al Pappalardo, Real Estate Consultant, informed the Board that typically the owner of the building purchases insurance, but there are instances that a landlord will allow the tenant to purchase insurance. The value of the hangar is the genesis for this issue. The Authority has to obtain a building value to determine what the amount of coverage should be. If a tenant had greater purchasing power and could provide cheaper coverage, there is no reason for the Authority not to allow the tenant to procure the insurance. Commissioner DeRouen added that if there was an instance where an FBO could procure insurance for a lesser rate than the Authority can then address the issue without amending the lease and buy that policy.

Commissioner Hoffman stated that another issue is which party would have the right to negotiate with the insurance company. As landlords and owners of the property, the Authority should have authority to negotiate a claim and retain the policy. If the tenant is allowed to purchase insurance, the Authority will have the burden to qualify underwriters and ensure financial capabilities are met and tenants pay any claims, which would be an additional burden on the Authority. Another policy decision is whether the Authority will insure property for replacement costs or fair market value, which issue has not yet been formally addressed. Commissioner Stack suggested tabling the motion for 30 days to address valuation issues and replacement costs after which the matter can be revisited.

Mr. Capo advised that currently Flightline has an outstanding balance for five months or approximately \$32,000. Commissioner Wheaton requested correspondence be directed to Flightline requesting that Flightline bring current any amounts due immediately. Commissioner Heaton offered a motion to defer the motion to obtain additional valuation information, seconded by Commissioner Ernst and unanimously adopted.

Bonny Schumaker - Flightline First

Ms. Schumaker noted that Flightline brought this issue forward due to the exorbitant valuation of the Williams Hangar. Flightline was unable to insure the massive deductible. Flightline does not own the policy and has no ability to obtain contents coverage on the flood policy. There is currently only \$100,000 of Ordinance & Law Endorsements (O&L) on a policy the Authority purchases. O&L Endorsements are needed for anticipated costs of construction. Flightline purchased a tailored policy on the current certified appraisal to increase the amount of O&L Endorsements to \$250,000 in order to cover replacement of the hangar. The identical hangar to the Williams Hangar, the Moffett Hangar, is insured for approximately \$2.5 million and the Walter Wedell Hangar is insured for approximately \$4 million. This Board has had an opportunity to read carefully what Flightline's concerns are. The Bastian-Mitchell, James Wedell, Walter Wedell, McDermott or National Guard Hangars are 28 feet tall which

accommodate larger aircraft that generate larger fuel sales. The revenue generating capability of newer hangars is enormous compared to the Moffett or Williams Hangars, yet rent is 3.76% higher.

Chairman Scott suggested the Authority obtain insurance for the value of the hangar along with \$250,000 O&L Endorsements with the Authority listed as property owner. The Authority would carry the policy and Flightline would pay the same cost and have the same coverage. Ms. Schumaker noted the Authority's desire to have control of the policy and advised that would not be Flightline's preference as valuations have been out of line. Flightline does not have faith in the control the Authority has exerted and requested permission to purchase flood insurance to cover contents in February, 2013. The issue was not allowed on the Board Agenda so Flightline purchased its own insurance and later discovered this was not agreeable with the Board. Flightline was unable to cancel the policy as FEMA had no record of the Williams Hangar being covered.

Commissioner DeRouen suggested that if there are specific coverages that Flightline is interested in the Authority's insurance broker will look into those coverages while the Board goes through the RFP/Q process for the Agent of Record. Commissioner Heaton offered a motion to defer the issue for 30 days to get the valuation information, seconded by Commissioner Stack and unanimously adopted.

Motion 06-032014 To approve opening Lakeshore Drive west bound lanes on weekends and holidays between the Senator Ted Hickey Bridge and Franklin Avenue for a trial period ending at the end of August 2014

Commissioner Saizan advised that residents from New Orleans East expressed a desire for traffic flow on Lakeshore Drive from New Orleans East to the Ted Hickey Bridge giving residents of New Orleans East full access to the Lakefront, which they deserve as taxpayers. This motion should be approved for a trial period ending in August of 2014.

Commissioner Saizan offered a motion to approve the opening of Lakeshore Drive westbound lanes of traffic on weekends and holidays between the Senator Ted Hickey Bridge and Franklin Avenue for a trial period ending at the end of August 2014, seconded by Commissioner Ernst. Commissioner Stack offered an amendment to open the entire length of Lakeshore Drive from Ted Hickey Bridge to the intersection of Robert E. Lee and Lakeshore Drive, seconded by Commissioner Saizan.

Commissioner Ernst opposed the amendment and suggested the item go before the Recreation/Subdivision Committee stating that there is much history regarding the closures which the Board is not in a position to decide at this time. Everyone is in agreement that Lakeshore Drive should be opened, but there should be more discussion prior to adopting the amendment. This Authority did not make the decision to close Lakeshore Drive. The decision was made 30 years ago. There are no people present to represent the other side as notice was not given of the amendment by Commissioner Stack, and the Amendment is not on the Agenda. The case for the road to remain closed is that people use Lakeshore Drive for recreational purposes on the weekend. A small stretch should be open for people who bike and roller skate.

Commissioner DeRouen advised that he was in favor of the motion and the amendment, but this issue should be properly advertised and discussed before a vote is taken. The matter should be placed on the Commercial Real Estate Agenda and discussed after proper notice. Commissioner Baudy pointed out that the Authority did not advise the public when Lakeshore Drive was closed, why is it imperative to give the public notice that Lakeshore Drive will be opened.

Commissioner Saizan added that as a resident that pays taxes, it is upsetting that a vehicle has to go a roundabout way to proceed down Lakeshore Drive to West End. Lakeshore Drive being closed at night is acceptable due to the lack of lighting. This issue is viewed by citizens as a fairness issue as it relates to the

ability to get from New Orleans East to West End without having to detour off of Lakeshore Drive.

Commissioner Green added that Lakeshore Drive is a public thoroughfare that has been kept closed for 20-plus years due to a crime issue. Residents and citizens should be able to enter Lakeshore Drive at the most eastern part and drive to the most western part unless there is a compelling reason to close the thoroughfare. The Authority could give a ten day public notice that Lakeshore Drive will be opened.

Commissioner Cantrelle agreed and stated that it is not a question of taking this matter to the general public as this is a general public meeting and the Agenda was made public. If a member of the public had an issue with an Agenda item, that person has the opportunity to discuss the issue. Lakeshore Drive was closed 30 years ago by a different Board. There is ample room on the road as proven by the City. An entire lane does not have to be used as a bicycle lane to accommodate a handful of people. This is a public thoroughfare and should be open. This Board needs to address the issue on the table and be done with the matter.

Commissioner Stack noted reasons Lakeshore Drive closures were implemented were crowd control and safety, which issues may no longer exist. The amendment will not be withdrawn and I will stand behind the idea from a traffic engineering perspective. Lakeshore Drive was not striped to be a bike lane, and there is confusion due to the one way and wrong way signs presently on the road. Parts of Lakeshore Drive were opened due to a Board Resolution recently passed regarding Marconi Drive. It makes more sense to open the entire stretch of Lakeshore Drive than to have it piecemeal closed. The amendment is to give an effective date when Lakeshore Drive will be open 24 hours per day, seven days per week with the exception of construction or a weather condition. The Authority wants to draw people back to the Lakefront, and if the public does not know if Lakeshore Drive is open or closed, they will not come back as the detour is problematic for residents in New Orleans East. Issues that implemented closure of Lakeshore Drive either do not exist or this Authority will quickly learn that they do. The old Teke Beach is closed and available for biking and rollerblading, which is a compromise position.

Walter Baudier, DEI, advised that the traffic pattern change on Lakeshore Drive was related to safety issues as Lakeshore Drive was much narrower and did not have the parking that currently exists. When Lakeshore Drive was redesigned the traffic pattern improved and recreational use of Lakeshore Drive increased. The north lanes were used as pedestrian lanes for pedestrians, bicyclers and skateboarders. Striping reflected parallel parking on weekdays and angled parking on the weekends. Included in the present plans and specifications is the restriping of Lakeshore Drive, which must be changed if vehicles are allowed on both sides of Lakeshore Drive. The striping pattern was based upon traffic patterns established 30 years ago to increase recreational use of Lakeshore Drive. In order to increase parking, angular parking was chosen as opposed to parallel parking. Reconstruction of Lakeshore Drive was completed in 1995 and the striping has remained the same. Commissioner Stack noted concern with striping along Lakeshore Drive stating that the current striping is confusing and not up to standard, which is a liability issue.

Commissioner Stack requested to defer the amendment for 30 days and proceed with the motion as stated on the Agenda. Chairman Scott advised that the amendment would be withdrawn, seconded by Commissioner Ernst. Public comments will be heard on the motion as stated on the Agenda. The public will have an opportunity to speak regarding the issue at the next Recreation/Subdivision Committee and the full Board meeting. Commissioner Stack agreed with the Board moving forward with this motion as this is what the public requested.

PUBLIC COMMENTS

Residents in favor of opening Lakeshore Drive west bound lanes on weekends and holidays between the Senator Ted Hickey Bridge and Franklin Avenue for a trial period ending at the end of August 2014 included Dawn Hebert and Alicia Plummer.

Chairman Scott advised that the motion on the table is to open westbound lanes of Lakeshore Drive in its entirety to vehicular traffic on a trial basis until August of 2014 and requested a motion to amend the Agenda. The motion is to amend the Agenda to add Commissioner Stack's amended motion to open Lakeshore Drive in its entirety. Commissioner Hoffman seconded the motion.

Commissioner Heaton noted for the record that Legal Counsel advised that the Board Agenda released to the public included an item regarding a road opening. The Board is requesting the opening be more than what was stated on the Agenda. The areas to be opened are no longer germane to the original Agenda Item. A new item must be placed on the Agenda, which requires a unanimous roll call vote. Mr. Metzger agreed and noted the reason a unanimous vote is need is that the public has not been given notice and the Board will be voting to open Lakeshore Drive in its entirety. The Board was required to vote on the motion to withdraw because the motion had a second and was on the floor. Under Robert's Rules of Order, the motion to withdraw required a vote.

Chairman Scott requested a roll call on the motion to add an item to the Agenda, which roll call vote was taken as follows:

In favor: Scott, Baudy, Heaton, Dufrechou, Cantrelle, Stack, Saizan, Green

Opposed: Ernst, Hoffman, DeRouen, Brien, Wheaton

Mr. Capo noted for the record that a unanimous vote is required. Five Commissioners were opposed to adding the motion to the Agenda so the motion to add an item to the Agenda is defeated.

Chairman Scott advised that the original motion is on the table and requested a second vote on the original motion. Commissioner Ernst seconded the motion which was adopted to wit:

MOTION: 06-032014
RESOLUTION: 06-032014
BY: COMMISSIONER SAIZAN
SECONDED BY: COMMISSIONER ERNST

March 20, 2014

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority ("Management Authority") is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District ("District");

WHEREAS, Lakeshore Drive and adjacent parkways and green spaces are part of the non-flood protection assets owned by the District under the management and control of the Management Authority;

WHEREAS, for public safety reasons the west bound traffic lanes on Lakeshore Drive for many years have been closed on weekends to vehicular traffic between the Senator Ted Hickey Bridge and Franklin Avenue and on weekends these lanes of traffic have only been available for recreational use by pedestrians, joggers, skaters and bikers; not allowing the use of motorized vehicles;

WHEREAS, recently there have been requests from members of the public to open the west bound traffic lanes on Lakeshore Drive on weekends to vehicular traffic between the Senator Ted Hickey Bridge and Franklin Avenue;

WHEREAS, the Recreation/Subdivision Committee of the Management Authority considered the request to reopen the west bound traffic lanes on Lakeshore Drive to vehicular traffic on weekends between the Senator Ted Hickey Bridge and Franklin Avenue at its regularly scheduled monthly meeting held on March 6, 2014;

WHEREAS, after considering these requests, the Recreation/Subdivision Committee voted to recommend to the Management Authority to reopen the west bound traffic lanes on Lakeshore Drive to vehicular traffic and to allow traffic in both directions (eastbound and westbound) on weekends between the Senator Ted Hickey Bridge and Franklin Avenue for a trial period through August 31, 2014;

WHEREAS, the Management Authority after considering the recommendation of the Recreation/Subdivision Committee resolved that the it is in the best interest of the Orleans Levee District and public safety to authorize the opening on weekends of the west bound lanes of traffic on Lakeshore Drive to vehicular traffic and to allow traffic in both directions (eastbound and westbound) between the Senator Ted Hickey Bridge and Franklin Avenue for a trial period through August 31, 2014.

THEREFORE, BE IT HEREBY RESOLVED, that the Management Authority authorizes the opening on weekends of the west bound lanes of traffic on Lakeshore Drive to vehicular traffic and to allow traffic in both directions (eastbound and westbound) between the Senator Ted Hickey Bridge and Franklin Avenue for a trial period through August 31, 2014.

BE IT HEREBY FURTHER RESOLVED, that the Authority Chairman or Executive Director be and is hereby authorized to sign any and all documents necessary to carry out the above.

YEAS: SCOTT, ERNST, BAUDY, HEATON, DUFRECHOU, HOFFMAN, DeROUEN, CANTRELLE, STACK, BRIEN, SAIZAN, GREEN, WHEATON
NAYS: NONE
ABSTAIN: NONE
ABSENT: LUPO, TRASK
RESOLUTION ADOPTED: YES

Motion 07-032014 To authorize applications for funding from the State of Louisiana in the amount of \$250,000.00 for a study of the cost of both the development and the environmental impact of the development of Zone 5 north of Hayne Boulevard and east of South Shore Harbor

Chairman Scott noted that item No. 07-032914 by Commissioner Green has been referred back to the Commercial Real Estate committee.

Commissioner Green requested all Board members attend the next scheduled Commercial Real Estate Committee meeting for clarification of the motion and what is being sought. Several studies were performed in the past, which suggest that development of lands north of Lake Pontchartrain could serve as a flood protection barrier and provide an area of recreation. By Louisiana Law this Authority is authorized to develop what is called Zone 5. The proposed development would be located on the north side of the levee. It is 4½ miles from South Shore Harbor to Paris Road on the lake side.

Commissioner Hoffman advised that he was concerned about requesting money from the State for a new development when the Authority is requesting money to survive. It is a matter of priority as to what this Authority requests from legislature. Making payroll and keeping the entity alive is a higher priority than expanding. Commissioner Heaton distributed a copy of the signed Board Resolution passed in October of 2013. The Resolution lists this Authority's Capital Outlay requests. There are no bills that pertain to the Non-Flood Protection Asset Management Authority at this point and the Capital Outlay request was filed timely on October 30, 2013. With so many challenges before the legislature, this could be a timing issue. The Authority has to speak in one voice when approaching the legislature because if we split we will get nothing.

There was a unanimous vote to defer the motion regarding Zone 5 development.

MOTION: 07-032014
RESOLUTION: 07-032014
BY: COMMISSIONER GREEN
SECONDED: COMMISSIONER SAIZAN

DEFERRED

March 20, 2014

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority ("Management Authority") is a political subdivision of the State of Louisiana, the governing authority of the non-flood protection assets of the Orleans Levee District ("District") and a successor of the former Board of Commissioner of the Orleans Levee District ("Levee Board");

WHEREAS, the former Board of Commissioners of the Orleans Levee District was granted authority pursuant to an amendment of the Louisiana Constitution of 1913, which was carried forward as Art. 16, §7 of the 1921 Constitution, to construct and maintain levees along, over and in the bed of Lake Pontchartrain and was granted a right of way over any public land, including the bottom of Lake Pontchartrain, which the Board deemed necessary to carry out its purposes;

WHEREAS, by an amendment to the Louisiana Constitution adopted in 1922, the power of the former Levee Board was enlarged to include construction of seawalls, jetties, and other works and the Levee Board was granted title to all lands within any levees, embankments, retaining walls and seal walls constructed by the Levee Board;

WHEREAS, by an amendment to the Louisiana Constitution adopted in 1928, the power of the Levee Board was expanded to include the right to locate and relocate improvements, to construct breakwaters and water basins, and to carry out dredging operations, the territorial limits of the Board's power to conduct such operations were also enlarged to include an area three miles from the 1918 shoreline of Lake Pontchartrain and the Board was granted title within the area of said works of reclamation and improvement;

WHEREAS, these amendments also envisioned the construction of subdivisions, an airport, parks, and golf links, among other things, and under these Constitutional amendments the Levee Board was also given the power to sell or lease any such lands reclaimed to defray the expenses of the project and flood protection for the City of New Orleans;

WHEREAS, under these Constitutional amendments the Levee Board was prohibited from reclaiming any more land or constructing any other works beyond a front line of development once such a line was established by the Levee Board's reclamation activities;

WHEREAS, under these Constitutional provisions the development was to occur in stages and the areas were divided into zones, the western most of which, Zone 1, was to be completed first with the development of the other zones moving easterly;

WHEREAS, pursuant to the Louisiana Constitution of 1974, these constitutional grants of authority to the Levee Board were renumbered in statutory form and transferred to Title 38 of the Louisiana Revised Statutes dealing with the Levee Board;

WHEREAS, these projects resulted in the creation of the lakefront area from West End to the Industrial Canal encompassing four of the statutory zones of reclamation;

WHEREAS, Zone 5, north of Hayne Boulevard and east of South Shore Harbor has never been developed and no front line of development has ever been established;

WHEREAS, the development of Zone 5 would provide new areas of recreation and residential development and create a stable source of additional revenue for the Management Authority;

WHEREAS, the development of Zone 5 could provide a tremendous economic resource for the Management Authority and the City of New Orleans resulting from the lease and sale of the reclaimed properties and additional real estate tax revenues generated from the development of Zone 5; and,

WHEREAS, upon a motion to refer this matter to a committee for further review and consideration, duly made, seconded and unanimously adopted, the Management Authority resolved to refer this matter to the Commercial Real Estate Committee of the Management Authority.

THEREFORE, BE IT HEREBY RESOLVED, that this matter be and is hereby referred to the Commercial Real Estate Committee of the Management Authority for further review and consideration.

RESOLUTION ADOPTED: DEFERRED

Motion 08-032014 Motion to approve the 2015 budget

Mr. Capo advised that this motion is to approve the 2015 Operating Budget. Total revenues for the 2015 budget are \$6,227,428 and expenditures under Operations are \$6,137,428. Major Maintenance is the \$90,000 dedicated surcharge assessed to Orleans Marina tenants. Total expenditures are \$6,227,428.

Commissioner Hoffman advised that this budget will get the Authority through 2015 and time to figure out funding going forward. The Authority continues to pursue all FEMA claims and it is believed that the Authority can get FEMA to reallocate monies to Operating Expenses. The Authority is currently working with legislators to assist with bridge funding until the millage becomes available in January of 2016.

PUBLIC COMMENTS

Octave Rainey – Resident, New Orleans

Mr. Rainey commented that if the Authority is strapped financially, maintenance such as tree cutting, cutting grass and sidewalk maintenance for private subdivisions should be ceased as that is an unauthorized cost. The Authority is cutting private subdivisions' grass with tax dollars. Commissioner Hoffman advised that the prior Levee Board developed these subdivisions and carved out interior parks which the Levee Board would maintain in perpetuity for residents of those neighborhoods. This Authority has a legal obligation to maintain the interior parks based on documents and legal advice as to the same extent of maintaining grass on Lakeshore Drive. Mr. Capo noted if the Authority at some point ran out of money, the entire Lakefront would not be maintained.

Commissioner Cantrelle noted that the Authority by law is responsible for maintaining interior parks and requested clarification of the criteria to make the decision as to whether the interior parks or Lakeshore Drive is maintained. Commissioner Hoffman clarified that the Authority did not state that grass would not be cut. The grass will be cut, but not as often, which is what the Authority has advised for some time. Commissioner Green requested clarification for the record on whether there are certain areas that the Authority will not cut again. Mr. Capo noted for the record that the frequency of cuts would be reduced.

All Board members were in favor of adopting the 2015 budget as proposed.

MOTION: 08-032014
RESOLUTION: 08-032014
BY: COMMISSIONER HOFFMAN
SECOND BY: COMMISSIONER ERNST

March 20, 2014

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority ("Management Authority") is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District ("District");

WHEREAS, the Management Authority reviewed the financial projections for the Fiscal Year Ending June 30, 2015 at a Special Finance/Budget meeting held on February 6, 2014 and the projections were reviewed at each subsequent Committee Meeting when the respective budgets were reviewed by the Committees, including estimated revenues and expenditures; and

WHEREAS, the following estimated funding amounts and expenditures, as detailed by the line item budgets for the Fiscal Year Ending June 30, 2015, were as follows:

FISCAL YEAR 2014-2015 GENERAL OPERATING BUDGET

Revenues	
Recurring	\$5,524,632
Non-Recurring/Transfers	\$ 702,796
TOTAL REVENUES	<u>\$6,227,428</u>
Expenditures	
Operations	\$6,137,428
Major Maintenance	\$ 90,000
TOTAL EXPENDITURES	<u>\$6,227,428</u>

WHEREAS, the Non-Flood Protection Asset Management Authority is mandated to submit an approved budget by April 1, 2013, to the Joint Legislative Committee on the Budget and other various oversight authorities; and

WHEREAS, the Finance Committee at its meeting held on March 6, 2014 reviewed and recommended approval of the Non-Flood Protection Asset Management Authority Operating Budget for the Fiscal Year Ending June 30, 2015.

THEREFORE, BE IT HEREBY RESOLVED, that the Non-Flood Protection Asset Management Authority approves the Fiscal Year Ending June 30, 2015 General Operating Budget set forth above.

YEAS: SCOTT, ERNST, BAUDY, HEATON, DUFRECHOU, HOFFMAN, DeROUEN, CANTRELLE, STACK, BRIEN, SAIZAN, GREEN, WHEATON
NAYS: NONE
ABSTAIN: NONE
ABSENT: LUPO, TRASK
RESOLUTION ADOPTED: YES

PUBLIC COMMENTS:

Octave Rainey – Resident, New Orleans East

Mr. Rainey noted that at the March 6, 2014 Recreation/Subdivision Committee there was a motion to open Lake Terrace Parkway to vehicular traffic. The motion just went away. The entire Board should vote on the issue of opening Lake Terrace Parkway. Of the 5.2 miles along Lakeshore Drive, approximately 3.2 miles have the same demographics as Lake Terrace Parkway. It was noted at the meeting that there is a way to get to Lake Terrace Parkway, but have you ever seen a handicapped wheelchair go up a 25-foot hill to access that area? This area should be open to the public. It is not someone's private backyard. Four of the nine residents referred to Lake Terrace Parkway as their backyard. Public tax dollars maintain that area. As this motion was denied by the Committee, the motion should be brought before the entire Board for a vote on whether to open Lake Terrace Parkway to vehicular traffic. The reason for the closure 30 years ago was that certain things that happened in the area. The people today are no longer part of what happened 30 years ago.

Commissioner Saizan requested Mr. Metzger research the law regarding the area known as Lake Terrace Parkway. Mr. Metzger advised that when a motion is not recommended for Board approval by the Committee, it is not put on the Board Agenda. At this time any member of the Board still can request the issue be placed back on the Recreation/Subdivision Agenda.

Commissioner Baudy requested the issue be placed on the next Recreation/Subdivision Committee meeting Agenda and noted that a statement was made by Alicia Plummer regarding Lake Terrace Parkway that the area be open to the public as it is the law. Commissioner Heaton advised that legislature amended a bill to have the area open. It is unknown if that has been amended. The issue was addressed in 1998 and I do not recall the motion being rescinded. The law stated that Lake Terrace Parkway shall remain open and it was an amendment to an existing piece of legislation. Chairman Scott requested Mr. Metzger review the matter and place it on the Recreation/Subdivision Agenda for April, 2014 and on the full Board Agenda as well.

NEXT BOARD MEETING

The next full Board meeting of the Non-Flood Protection Asset Management Authority is scheduled for Thursday, April 17, 2014 at 5:30 p.m.

ADJOURNMENT

Commissioner Heaton offered a motion to adjourn, seconded by Commissioner Baudy and unanimously adopted. The meeting adjourned at 7:28 p.m.